

TEACHERS' RETIREMENT BOARD

INVESTMENT COMMITTEE

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SUBJECT: Credit Enhancement Program  
Activity Status Report

ITEM NUMBER: 11

ATTACHMENT(S): 2

ACTION: \_\_\_\_\_

DATE OF MEETING: March 6, 2002

INFORMATION: X

PRESENTER(S): Jean Kushida Uda

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CalSTRS is underwriting a new confirming letter of credit in support of an existing Redevelopment Agency for the City of Colton bond issue for the Las Palomas Associates Project. CalSTRS will be backing a California-based bank. The bank is replacing another financial institution. CalSTRS will be in a second-loss position.

The par amount of the bonds is approximately \$5.1 million. The original bonds were issued fifteen years ago and were used to construct office/retail buildings in the city of Colton. Colton is located in San Bernardino County, near the city of Riverside. The letter of credit substitution is expected to close in April.